$3.00 OCTOBER 1980

Folio:

THE MAGAZINE FOR MAGAZINE MANAGEMENT

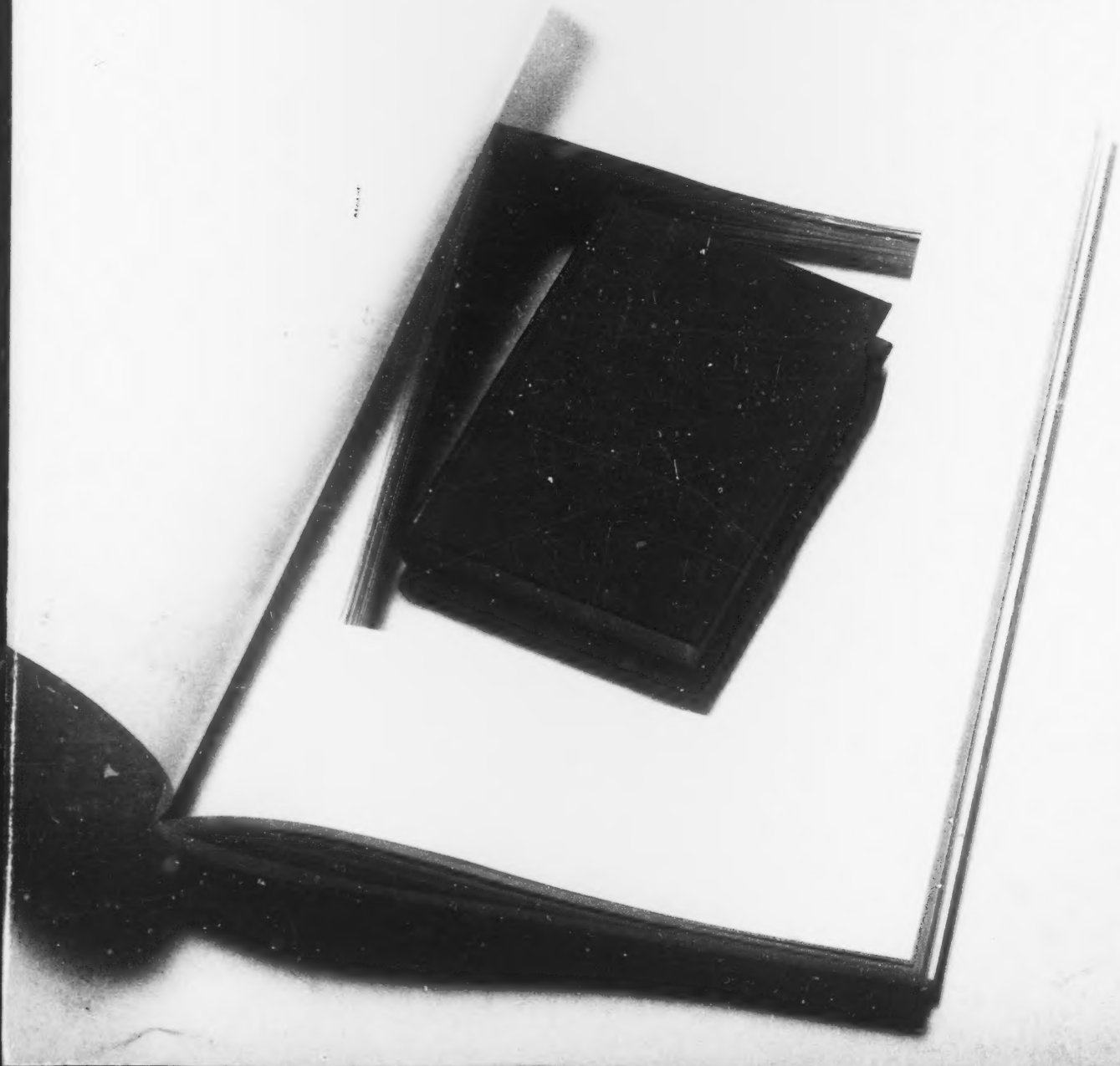
C3935-1

GETTING INTO BOOKS:
A GUIDE FOR MAGAZINE PUBLISHERS

HOW 4 MAGAZINES DID IT

RECESSION TACTICS
ELECTRONIC EDITING
ADVANCE RENEWALS

PROFILES:
BERNARD GOLDHIRSH OF INC.
LEWIS LAPHAM OF HARPER'S



OCTOBER 1980 VOL. 9 NO. 10

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THE MAGAZINE FOR MAGAZINE MANAGEMENT

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Production

Publishers' paper requirements up despite recession

New York City—Despite the recession, publishers are expecting to increase their total paper requirements during 1980 to 1982. These requirements will be met even though there will be a dramatic decrease in demand for imported coated and uncoated stocks, which now cost $100 to $200 more per ton than domestic paper.

These trends are reported in the Magazine Publishers Association 1980 Spring Survey of Paper Tonnage Requirements.

Publishers' overall demand for paper, which reached 1,441,387 tons in 1979, will continue to rise during the next few years, with annual increases of 2.9 percent, 5.8 percent, and 4.9 percent in 1980, 1981, and 1982 respectively.

The demand for all domestic papers is expected to increase 19 percent during the period 1979 through 1982. The most sizeable increases in demand will be for domestic coated paper, projected at 6.6 percent in 1980, 7.8 percent in 1981, and 5.1 percent in 1982. Domestic uncoated requirements will drop 0.9 percent in 1980, but then pick up again, increasing 2.9 percent in 1981 and jumping 7.5 percent in 1982.

The increase in demand for domestic paper is partially predicated on decreasing demand for imported papers. The biggest blow will be felt by foreign exporters of coated paper, because demand in that area is projected to drop nearly 99 percent by 1982, from 28,000 tons actually used in 1979 to 330 tons projected requirement for 1982. The demand for imported uncoated stocks will also drop consistently, but not as dramatically as demand for imported coated paper. Requirements for imported uncoated stock will slip from 79,000 tons in 1979 to 55,000 tons in 1982, a 30 percent decline.

These figures are based on responses from 89 publishers and individual magazines representing more than 65 percent of publication-grade paper shipped by domestic paper companies.

Publishers' Actual and Projected Paper Requirements, 1979 - 1982 (in tons).

TOTAL REQUIREMENTS

1979 (Actual)	1980	1981	1982
1,441,387 tons	1,482,691	1,586,262	1,645,556

DOMESTIC PAPER REQUIREMENTS

COATED

1979 (Actual)	1980	1981	1982
1,133,344 tons	1,208,585	1,302,536	1,369,147

UNCOATED

1979 (Actual)	1980	1981	1982
201,628 tons	199,818	205,520	220,937

IMPORTED PAPER REQUIREMENTS

COATED

1979 (Actual)	1980	1981	1982
27,756 tons	12,690	3,330	330

UNCOATED

1979 (Actual)	1980	1981	1982
78,659 tons	61,598	56,876	55,142

Source: MPA 1980 Spring Survey of Paper Tonnage Requirements

Laser scanners saving time, money, improving quality

Rolling Meadows, Ill.—The use of laser beams to make color separations (rather than conventional xenon arc lamps or neon lamps) is improving separation quality and saving time and money. There are currently 500 to 600 laser scanners in use in this country, and publishers are wise to seek shops that offer them, according to production experts.

"Laser scanners are here to stay," says John E. Thompson, production director of *Business Week* and chairman of the Magazine Publishers Association production committee. "There is still a lot of experimenting going on and changes in technology taking place, but once laser scanners have gone through all their generations, they will be indispensable for making separations."

"Laser scanners are capable of producing much higher quality reproduction more consistently than conventional scanners," says Joel Rubin, president of Phototype Engraving Co. "Lasers are very fast—averaging 10 to 12 minutes to make a separation, and require far less labor than conventional scanners. Laser scanners are absolutely giving publishers better quality, and at the same time, they are keeping a hold on production prices."

Another advantage of laser scaners is the great versatility they offer the operator, according to Mitchell Passantino, plant manager for G.S. Lithographers, which uses a Hell

BEST AVAILABLE COPY

Circulation

Red tag lags: only 54% of magazines delivered on time

Chicago—Only 54 percent of the magazines that are supposed to get priority red-tag handling are delivered on time, according to Red Tag News Publications, Inc.

The association's data, gathered during the first half of this year, show that 29 percent of red-tag copies arrive one day late, and 17 percent arrive more than one day late.

Although Red Tag News Publications has been monitoring the delivery of time-value publications since the association was formed in 1971, the results of their study have not been made public before now. The released data is sure to add fuel to the controversy over the Postal Service's plans to begin charging extra for red-tag service.

William Strong, president of Red Tag News Publications and vice president of circulation for Crain Communications, acknowledges that the decision to release the delivery data at the present time is related to the proposed red-tag surcharge, but says the move is meant to be constructive.

"I've been thinking about releasing the figures for years," Strong says. "The idea came to the front of my mind with the surcharge proposal. People are wondering whether they're getting what they're paying for."

"I think that we have to push for service, and that's how the figures can help," he continues. "If the Postal Service is going to impose a red-tag surcharge, we have to get a clear definition of what the service will entail and what the standards will be, so that we'll have a promise and a recourse for complaints."

Red Tag News Publications has been supplying the delivery time information to its members, to the Postal Service's main headquarters, and to regional postal offices all along, according to Strong. The information helps members pinpoint problem areas in their magazine's delivery routes, and enables them to work with the Postal Service to better coordinate efforts.

"The Postal Service does not change its dispatch schedules, of course, but their officials can tell a publisher whether his magazine might make an earlier postal dispatch by scheduling a plane drop a little earlier," Strong says. "And sometimes a regional official can make his people more aware of the fact that a particular time-value magazine comes in at a certain time each week, and that it is critical to get it out on

(Continued on page 61)

Percentage of on-time and late deliveries for weekly "time-value" publications, January - June, 1980.

MARKET AREA	ON TIME (%)	ONE DAY LATE (%)	LATER (%)
Atlanta, Ga.	63	26	11
Austin/San Antonio, Tex.	52	40	8
Baltimore, Md.	45	39	16
Boston, Mass.	60	28	12
Buffalo, N.Y.	53	37	10
Chicago, Ill.	64	25	11
Cincinnati, Ohio	49	36	15
Cleveland, Ohio	49	30	21
Columbus, Ohio	72	13	15
Dallas, Tex.	33	40	27
Denver, Colo.	37	39	24
Detroit, Mich.	63	29	8
Grand Rapids, Miss.	75	21	4
Greensboro, N.C.	68	17	15
Hartford, Conn.	62	29	9
Houston, Tex.	45	25	30
Indianapolis, Ind.	52	23	25
Jacksonville/Tampa, Fla.	52	32	16
Kansas City, Mo.	59	27	14
Los Angeles, Calif.	57	22	21
Memphis, Tenn.	54	29	17
Miami, Fla.	34	36	30
Milwaukee, Wis.	63	23	14
Minneapolis, Minn.	52	30	18
Nashville, Tenn.	37	47	16
New Orleans, La.	40	32	28
New York, N.Y.	63	29	8
Philadelphia, Pa.	55	31	14
Phoenix, Ariz.	41	32	27
Pittsburgh, Pa.	46	36	18
Portland, Oreg.	40	33	27
Reno, Nev.	35	20	45
St. Louis, Mo.	58	31	11
Salt Lake City, Utah	27	34	39
San Diego, Calif.	27	38	35
San Francisco, Calif.	60	26	14
Seattle, Wash.	11	21	68
Tulsa, Okla.	59	28	13
Washington, D.C.	64	24	12
Wichita, Kans.	74	20	6
AVERAGE	**54**	**29**	**17**

Data from Red Tag News Publications, Inc., based on experience of 17 weekly business and consumer publications for 1,128,000 copies in the mail each week, and predicated on delivery as newspapers. Most publications monitored maintain multiple additional entries and air freight to post office of entry.

mail pieces; several of them are more innovative.

The first effort in the series is an 'early bird' direct mail piece sent immediately after the subscription order is first received. This type of effort, Klingel notes, has recently become quite popular because of its effectiveness.

Two other unusual efforts in the series are 1) direct mail promotions that are sent with the magazine's response to change of address cards received from subscribers, and 2) an extra full-size renewal promotion cover imposed over the regular front cover of the last three issues in a subscription.

Wilson, Murchake receive awards

New York City—Bob Wilson of *The Wall Street Journal* has been given the Fulfillment Manager of The Year Award presented by The Fulfillment Management Association (FMA). John Murchake, subscription manager, Kiplinger Washington Editors, received the Lee C. Williams Award for outstanding achievement in publishing, given by the XYZ Club, the Magazine Publishers Association and FMA.

New FMA officers for 1980-1981 are: president, Douglas W. Florenzie, *The New Yorker*; vice president, Pete Phillips, Keystone Readers Service; treasurer, Anthony J. Rizzo, *TV Guide*.; executive secretary, Marie Testa, Action Letter, Inc.; and recording secretary, Robert Gannotta, *American Journal of Nursing*.

Family Circle gives four circulation guarantees in 1981

New York City—Family Circle is adding a new twist to circulation guarantees: It is creating four circulation guarantees in 1981 for four separate periods of the year. Should *Family Circle* fail to deliver the guaranteed circulation average for any of these periods, the magazine promises to refund the difference to advertisers appearing in that time period.

"The new rate card is structured to meet the problems of the eightees—inflation, changing consumer buying habits, and the growing need for greater media precision," says Thomas C. Redd, vice president and advertising director of *Family Circle*. "The new circulation guarantees are designed to give advertisers advance information on fluctuations, with the added advantage of a protected CPM."

The new rates, averaging $53,517.65 for a four-color page (one time), will be reflected in the guaranteed circulation based on the current $7.07 CPM. The rates will be different for each of the periods—January, February through May, June through September, and October through December.

Family Circle will also offer a brand discount to encourage advertisers to increase advertising for individual brands in the magazine during the year.

Although most publishers give an annual circulation guarantee, *Family Circle*'s competitor, *Woman's Day*, also moved to shorter-term guarantees last year. In 1980, *Woman's Day* had a different advertising base for the spring and fall issues.

BPA adds 12 new magazine members

New York City—Twelve magazines have recently completed initial audits to become members of Business Publications Audit of Circulation, Inc.

They are *Airline Executive* (Airline Publishing Group, Inc.); *American Health Care Association Journal* (American Health Care Association); *Convenience Store News/Executive Edition* (BMT Publications, Inc.); *Electronics Test* (Benwill Publishing Corporation); *Journal of the American Veterinary Medical Association* (American Veterinary Medical Association); *Mining Equipment International* (Technical Publishing Company); *New England Journal of Medicine* (Massachusetts Medical Society); *Oil Patch—The Gulf Coast Magazine* (Oil Patch, Inc.); *Petrochemical Equipment News* (Gordon Publications, Inc.); *SportStyle* (Fairchild Publications); *Homebook* (McGraw-Hill, Inc.) and *Young Once* (13/21 Corporation).

Red-tag delivery

(Continued from page 47)

the first available dispatch."

Although Postal officials have been very cooperative, for the most part, in working with Red Tag member publications to correct individual problems, Strong says, overall red-tag service has a poor track record.

To illustrate that the figures for this year's first half are by no means worse than usual, Strong points to first-half figures for each of the past nine years. In 1972, 57 percent of red-tag magazine copies, on average, were delivered on time. On-time delivery figures varied up and down from 57 percent by as much as six percentage points each year until 1977, when a peak of 66 percent on-time delivery was reached. This was followed by a dramatic drop to 53 percent in 1978, and to 49 percent in 1979—the lowest point in the nine years of monitoring.

The 54 percent on-time delivery for the first half of this year could signal the start of a recovery in the quality of red-tag service, Strong notes. But he adds that the biggest problem with red-tag delivery is the lack of a separate time-value surface transportation network.

"First class mail goes by plane, and all other mail—including red-tag—goes by the same trucks and dispatch schedules," he says. "Red-tag mail gets handled more promptly, but this isn't enough. Most time-value publishers have had to open up multiple entry points to drop-ship their magazines."

Red Tag News Publications gathers its delivery information from about 300 "monitors" located across the country. Most of these individuals are paid a modest stipend for being put on the subscription lists of several Red Tag member publications, and for filling out forms indicating when each magazine is delivered. Currently, there are 21 time-value publications.

In computing the percentages of on-time and late deliveries, Red Tag excludes any late deliveries that are not due to Postal Service delays.

Red Tag also has 20 regular second class and controlled member publications whose delivery times have been monitored since Red Tag began. The association plans to begin releasing its figures on delivery for these publications sometime during the next few months.

microfilm:
OF ALL ISSUES OF FOLIO: IS AVAILABLE
from
University Microfilms, Inc.
300 N. Zeeb Road
Ann Arbor, Michigan 48106
and
Bell & Howell Company
Old Mansfield Road
Wooster, Ohio 44691

U.S. Magazines with greatest overseas newsstand dollar sales

Name	Annual foreign sales in $	Price and frequency	U.S. single-copy sales	Foreign, U.S. poss., & military	% foreign to U.S.
1. Playboy	$10,273,530	$2.50 M	2,803,194	342,251	12.2
2. Penthouse	9,613,500	2.50 M	3,917,696	320,450	8.1
3. Oui	1,878,552	2.00 M	604,060	78,273	12.9
4. Gallery	1,167,561	2.25 M	594,686	43,243	7.2
5. Scientific American	1,099,944	2.00 M	102,989	45,831	44.5
6. Hustler	1,082,355	2.95 M	1,533,781	30,575	1.9
7. Architectural Digest	1,030,176	3.50 M	72,983	24,524	33.6
8. Playgirl	915,548	1.95 M	502,213	39,126	7.7
9. Vogue	735,240	2.00 M	588,238	30,635	5.2
10. Easy Riders	716,058	1.50 M	343,358	39,781	11.5
11. Cosmopolitan	657,846	1.50 M	2,527,246	36,547	1.4
12. Genesis	644,754	2.75 M	336,742	19,538	5.8
13. Hot Rod	621,612	1.50 M	322,606	34,534	10.7
14. Reader's Digest	591,429	.95 M	1,124,136	51,864	4.6
15. Good Housekeeping	576,960	1.25 M	1,996,531	38,464	1.9

Source: ABC Report, Dec. 31, 1979/Boarts International, Inc.

when a magazine is in the spotlight because its editor is in town," she says.

Levy has lately been using the lane-blocker racks primarily to display magazines participating in its cooperative advertising program in the *Chicago Sun Times*. That widely-publicized program, which began in 1978, gives exposure to six magazines every other week through full-page ads.

Overseas newsstand magazine sales exceed $48 million

New York City—U.S. magazines sold overseas and in Canada represent $48,635,349 in annual sales, calculated at U.S. cover prices, according to projections by Boarts International, Inc., distributor of American publications overseas.

The analysis, which is based on publishers' statements for 195 magazines in the Audit Bureau of Circulations' semiannual report, provides two previously unreported categories of comparative data:

•Percentage of foreign to U.S. single-copy sales. This is an index, expressed as a percent, of the relation of overseas sales of a magazine to U.S. sales. It is obtained by dividing the total number of foreign, U.S. possessions and overseas military sales of a given magazine by the total number of single-copy sales in the United States of that same magazine.

•Annual foreign sales in dollars. This is a projection of total overseas single-copy sales at the U.S. cover price.

The magazine group with the largest overseas volume is "men's general," according to Boarts. This category represented $25.1 million in sales for the period studied. "Young women's general" magazines, at $2.9 million, ranked second in overseas sales volume. "Women's general" magazines ranked third at $2.29 million. Photography magazines, with sales of $1.1 million, ranked in fourth place.

The survey was limited to magazines reporting to ABC and excluded the overseas editions of *Time* and *Newsweek*.

The report suggests that there are more men than women among foreign readers, and that those men are attracted to special interest magazines in the fields of leisure and entertainment.

IPDA ad campaign promotes reading

New York City—An advertising campaign aimed at increasing both consumer awareness and purchases of magazines and paperback books has been launched by the International Periodical Distributors Association, Inc. (IPDA) and Curtis Circulation Company.

Curtis is soliciting magazine publishers' cooperation in ordering and publishing, free of charge, copies of ads being prepared by IPDA. The four ads, which are available in five sizes, stress the enjoyment and self-improvement benefits of reading.

The campaign sponsors also plan to ask for help from government agencies, educational associations, and other groups interested in upgrading reading levels, and to develop point-of-sale materials bearing the reading themes for retail racks and displays.

Number of scanning retailers over 2,000

New York City—The number of retail stores with Universal Product Code (UPC) scanning systems reached 1,780 in the first quarter of this year, accounting for 5 percent of all supermarkets, according to *CPDA News*. The number of scanning stores is increasing at the rate of more than 100 per month, the wholesaler publication reports.

Folio: Classified
Gets Results.

NOTE

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PUBLICATION HAVE BEEN FILMED

Cover 1, p. 3, 30, 32, 37,

40, 42.